

## PCC PRECEPT SPEECH

Thank you Chair,

Members of the Panel,

Today I formally request that you consider my proposal to raise precept for Dorset taxpayers by 6.2% or the equivalent of £15 per year for a band D property.

I will start today by laying out the current situation. I will of course include last year's precept rise in this scenario setting, with the assistance of the Chief Constable.

Last year, I was able to tell you and the public that the 2020/21 settlement meant that the Force would be able to deliver a balanced budget and recruit 50 officers as part of a three-year recruitment cycle. This was the number that had been allocated to the Force during the first year of the government's commitment to increase officer numbers by 20,000 nationally. I also informed the public that I had a concern around funding the second and third years of this cycle and that if I had been permitted by Government to set the precept at £15 a year, as had been expected and as Dorset residents said they would support, the additional £5 per household would have gone into a pot to fund officer recruitment in 2021/22.

You will know that last year's precept consultation received over 5000 responses, either online or at a series of face-to-face events. There was overwhelming agreement that Dorset Police required additional funding and nearly three quarters of respondents said they would be willing to pay an extra £1.25 a month. Notwithstanding that, I set the precept rise at £10, and this was brought to the panel and endorsed by yourselves unanimously.

The Chief Constable will shortly outline what this precept rise achieved in the last 12 months, but first I want to quickly outline our current state.

**Financially, we are still facing considerable challenges.** The costs relating to officer uplift, inflationary pressures and other issues still threaten the stability of our finances. These are comprehensively detailed in the Chief Finance Officers report under this agenda item.

To start with a positive, for policing, the EU Exit has passed with something of a whimper. I am one of the lead PCCs for Brexit and the impact has been a lot better than first feared. Yes, policing has lost access to some automated intelligence and data sharing systems but the more worrying scenarios of queues at petrol stations, fishing blockades and empty supermarket shelves have not (yet) come to pass.

However, the pandemic is very much still with us, crime has not stopped, and we also have the positive pressure of meeting the recruitment uplift challenge.

**In terms of the pandemic,** the impact on policing and partner agencies has been enormous, requiring changes in operating models and structures. The legacy of the pandemic is largely unknown but I believe that it will impact on policing both directly and indirectly in three ways:

First, the consequences of **renewed austerity**, hardship caused by furlough, and the risk of a double dip recession. There is a realistic prospect that such issues will have an adverse impact on crime, especially online crime and acquisitive crime, plus an increase in ASB. We can look at history to see this is predictable, and needs to be built into forward plans.

Secondly, whether the extended periods of lockdown are masking crimes in private spaces. It might be that a glut of historic reporting will take place once society is free of these current restrictions. Sadly, only time will tell.

And, thirdly, the impact on overall public health and wellbeing – will we see, for example, a sustained increase in serious mental ill health, addiction and suicide, especially in the youth of our society? The current trends suggest both. Despite the huge leaps made in mental health provision in this county, especially in relation to policing, this will seriously impact on police demand and police delivery.

Moving to the **Police Uplift Programme**, this has provided some welcome relief, but even here there are challenges. The government's initial plan was to increase nationally by 6000 officers in year 1, 8000 in year 2, and then a final 6000 in year 3. As a result of the pandemic, the government decided to reduce the year two target, and catch up with an increase in year three.

On a national level it could be argued that this makes sense, but locally it does create difficulties.

For Dorset, which – for the reasons mentioned earlier – had endured many years of low recruitment, we needed to rebuild our recruitment capability to attract, select and train these new officers. So, having done this, the Chief and I took the decision to stick with the year 2 plans, and to over-recruit. This will allow for efficiency savings in scaling training, and the ability to frontload our recruitment to the benefit of Dorset citizens, as it will result in us getting more officers out on the streets sooner rather than later. As a Force we are predicting that at least 64 officers will be recruited by 31 March 2021. Of course, it bears repeating that the funding provision from the government was simply for officer uplift and will not cover the ongoing officer costs and ancillary costs of the programme.

The potential impact of uplift on policing given the context we find ourselves in is hard to predict but before I outline this year's proposals, and reflect more fully on meeting the demands, I'd like to pass to the Chief Constable who can tell you about what the Force delivered with last year's precept rise.

## Thank you James

**I will now outline the reasons** why I have asked this year for a £15 precept rise. This will be followed by my Director of Operations, Adam, who will briefly outline the results of the public consultation to assist your decision making.

My Treasurer Julie will conclude with some further detail on the figures and the process, before we go into your questions.

Intrinsic to today's proposal are several points:

1. This proposal to raise, has come from a request by the Chief Constable and his letter to me provides great detail and context.

In the interests of transparency and in order to aid understanding, this will be appended to the minutes of this meeting, along with a copy of my speech.

Please note this letter was written after the announcement of the 2021/22 police settlement, but nevertheless a few weeks ago now.

2. This proposal will provide the Force with a balanced budget for next year and allows, for the first time since I have been PCC, for a fully balanced MTFP to be presented. The picture may change as policing does not receive multi-year settlements, but this is a realistic MTFP and positive news.
3. The proposal also enables the Force to meet the unavoidable costs of providing an enhanced service in the face of a global health emergency and allow the further recruitment of additional officers. We received an additional one off Covid surge fund of £250K to enable additional Covid related targeted deployment, but the repeat of the provision is not anticipated in the 2021/2022 financial year.
4. The recruitment of at least 64 officers exceeds the Governments revised position as reflected in their spending review this year, and we will benefit from the uplift cohort earlier than expected by maximising the full advantage of the infrastructure that we have put in place to recruit and train the new officers.
5. This precept rise proposal, like last year, is announced by Government, not by me. The Government made the announcement in advance of this hearing today – indeed, they announced in December that, and I quote:

“The Government has prioritised funding for Police and Crime Commissioners in this settlement. Overall funding available to PCCs will increase by up to £703 million next year – a 5.4% cash increase on the 2020/21 settlement – **if** PCCs make full use of their flexibility to increase precept.”

Whilst we ponder this year's proposed £15 rise, I feel it once again appropriate to state that my view on the Government's proposal has not changed. It is a Government proposal, not mine. The traditional low level of Government

funding of all public services in Dorset, including the police, brings its own challenges, particularly around the high degree of reliance on the council tax for local services. To expect Commissioners to use the precept to bolster funding to achieve the essential policing of Dorset is not the way to run democracy.

However, if I don't raise the precept, policing will face more cuts.

**I maintain my stance that this should be centrally funded by the state. On the face of it, I would understand why some may think £15 is a huge settlement for Dorset Police. Actually it enables us to achieve a balanced budget, police a pandemic and support the officer uplift programme covering the additional costs in the programme.**

So let's look at our finances.

The achievements outlined in the current year have only been possible due to your support in raising the precept by £10 in the current year. This precept resulted in new income of £3.27m. Whilst that was a significant sum of money, it must be considered in the context of the overall financial pressures faced by the Force, and the increased costs mandated from elsewhere.

If the police are to continue to provide the current level of service then another significant increase in resources from the precept is required.

This is despite the fact that the Force continues to look for every efficiency and opportunity for increasing resources. The bottom line still results in a requirement for a substantial increase in the precept.

A significant element of our cost base is subject to incremental pay increases, and are beyond our control. Pay awards are negotiated nationally and officers and staff are subject to nationally imposed terms and conditions. The full year effect of the September 2020 pay award must be included in the 2021/22 budget along with the contractual pay increments and associated impact on National Insurance and pension contributions. This results in increased costs of the pay budget of £2.3m, excluding year 2 uplift officers.

Some of our challenge is because of capital financing. Capital financing costs need to increase further. Capital grant is expected to remain low, receipts from sale of premises are not expected to be significant and capital reserves are all but exhausted. We need to invest in our estate with an increasingly urgent need to provide alternative Headquarters accommodation.

Additionally, in relation to the Government uplift no funding surety for the long-term provision of these officers has been made. I've spoken before about the need for multi-year settlements, but sadly we continue to operate without certainty of supply. Not forgetting that as well as maintaining service levels, policing in Dorset needs to absorb the greater abstraction levels during the first years of officer training (and that's not to mention the impact of COVID-19 on the same).

So, in summary, members what choices do we have here today

**Well firstly, I could do nothing.**

That would leave roughly a £4.3 million hole in our finances, meaning that the Force would need to cut around 140 police staff jobs as these fall outside of the Government officer uplift programme.

But, I hear you ask, why not use further reserves rather than cut staff? Well, as you know from the papers you have with you today, I have used reserves, and our General Balances are sufficient as an adequate contingency amount for unforeseen shocks, but continued use of reserves is not sustainable.

If we do nothing, such cuts would most likely be directed primarily at police staff (including PCSOs) and capital investment, as I am restricted in my ability to reduce officer numbers due to the Government instruction to increase police officer numbers, and the associated requirements of the uplift grant.

Additionally, there would be no revenue investment, and our financial position moving forward with a new PCC would be seriously hampered. As other areas are approving the £15, this would make Dorset fall behind the South West and other Forces nationally, at a time when we are leading the pack in so many areas.

Headlines would be a drop in performance, with an adverse operational implication, medium and long term financing would be put at risk, with no reserves to fall back on. There would be a curtailment of PRISM investment, and an extension of vehicle life for the fleet.

The Force would also be unable to meet Govt targets on uplift.

**I would respectfully remind the Members that the Minister** gave PCCs flexibility to rise to a £15 precept to protect the Governments uplift of officers. To reject that call could affect overall policing numbers, indeed I am not sure we could meet the Uplift numbers. It would also remove front line officers to fill back room roles vacated by police staff redundancies.

**Secondly, I could raise by just £5**

A budget reduction of £2.88m would be required meaning that the Force would need to lose around 95 police staff jobs.

This is a similar picture, really, whilst the Uplift programme would be achieved, officers would replace staff vacancies caused by redundancies. There would be no investment or additional officers above the Government grant.

The would be a serious detriment on our financial position in future years, which frankly would be unsustainable...with significant dips in performance and operational impact.

### **Thirdly, I could raise by £10 as per last year's precept decision**

I do not consider this appropriate in the current climate as this would leave roughly a £1.44 million hole in our finances, meaning that the Force would need to cut nearly 50 police staff jobs. Again, front line officers may be abstracted to back office roles

There would be a drop in contact performance, there would be no revenue investment, and a deterioration of the existing estate.... plus the investments the Chief Constable has referred to, on vulnerability, county lines etc, will not happen or will be seriously reduced. I also worry about mitigating the McCloud judgement.

### **Finally – We raise by £15 , which is the maximum available without the need for referendum, and deliver a balanced budget. That is my recommendation here today.**

So in closing, this is my the only viable option to ensure that we deliver a balanced budget, police the continuing Covid pandemic, maximise the efficiency of delivering year 2 of the officer uplift programme and maintain the levels of police staff without reduction.

As stated last year, the budget that the panel vote for will fall into the new incoming PCC term to administer. To those candidates seeking election, I repeat last year's words of caution. "Be careful what you wish for" when you make election pledges, as this Force has a tight budget, even with a £15 rise, with little room for additionality.

Before I go to your questions on this proposal, let's just consider what our public think of a £15 raise.

Chair, I now hand to Adam for a summary of our public consultation

Thank you Adam, Chair I now hand to Julie for a summary of our finances in today's context.

Thank you Julie, Chair before we go to Questions, a closing summary from me.

While policing continues to face significant challenges that require further investment, we should all be rightly proud of the exceptional progress Dorset Police has made over the last year. The Force has a good grading from HMICFRS across all areas of inspection, including crime recording which means our communities can take real confidence in the levels of crime being reported. Crime has reduced by just over 6% in Dorset, but more importantly those offences that create the greatest harm and impact the most vulnerable in our community have reduced at a greater rate than the national average. Violence with injury has dropped by nearly 9% and sexual offences by nearly 10% meaning Dorset is the ninth safest nationally. Alongside this, those things that matter to the public such as 101 waiting times have seen significant improvement, with average answer times dropping from nearly eight and a half minutes to four and a half minutes.

All of this against a backdrop of a global pandemic, which has created a very different policing demand. During the summer, individual days saw more calls for service from

the public than any other days on record. Protests took place in Bournemouth against national restrictions and the Force had to change the way it operated while officers and staff were ill and isolating as a consequence of Covid-19. Even faced with these challenges, Dorset Police investigated serious, complex and organised crime, launched new technology and innovation such as remote video applications and went live with a new command and control system. All of this is part of the clear vision which will take Dorset on its journey from good to outstanding. The last Inspection shows Dorset Police at its best and I am sure we are all grateful for the exceptional progress made in this most testing of years.

[ENDS]